JEFFERSON COLLEGE

COURSE SYLLABUS

BUS240

FINANCIAL ACCOUNTING

3 Credit Hours

Prepared by:
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BUS240 Financial Accounting

I. CATALOG DESCRIPTION

A. Prerequisite: BUS101 Introduction to Business or BUS107 Bookkeeping with a grade of "C" or better

B. 3 semester hours credit

C. This course represents a first-semester course in accounting, the focus of which lies in the study of various accounting principles, concepts, procedures, and financial statements associated with financial accounting. Financial accounting represents the branch of accounting intended to provide information that is useful for external decision makers (i.e., decision makers who are outside of the business). This course is required of students who wish to transfer to a four-year school, majoring in any field of business, leading to a bachelor’s degree. (F,S,Su)

II. EXPECTED LEARNING OUTCOMES / ASSESSMENT MEASURES

| Students will demonstrate an understanding of the double-entry accounting system (which is derived from the definition of accounting) and the components of the accounting cycle. | In-class exercises Quizzes Midterm exam Final exam |
| Students will relate basic terminology and specific principles to accounting procedures for various business transactions. | In-class exercises Quizzes Midterm exam Final exam |
| Students will implement different accounting methods (e.g., FIFO versus LIFO inventory cost flow methods, the allowance and direct methods of accounting for uncollectible accounts receivable, etc.), and evaluate the effects of these different accounting methods on the financial statements. | In-class exercises Quizzes Midterm exam Final exam |
| Students will demonstrate an understanding of accounting for long-term debt (including, explaining why bonds are issued at face value, a discount, or a premium, using the straight-line and effective interest rate methods to amortize bond discount or premium, evaluating the effects of different types of bond issuances on the financial statements, etc.). | In-class exercises Quiz Final exam |
| Students will calculate and interpret various financial ratios associated with assessing company liquidity, solvency, profitability, and position in the stock market. | In-class exercises Quiz Financial statement analysis project |
III. OUTLINE OF TOPICS

A. An Introduction to Accounting, the Accounting Cycle and the Double-Entry Accounting System
   1. Students will define the term, “accounting” and analyze the components of that definition.
   2. Students will describe, identify the major components of, and prepare, the four basic financial statements.
   3. Students will record business events using a horizontal financial statements model.
   4. Students will prepare year-end adjustments associated with accrued and deferred revenue and expenses.
   5. Students will describe transactions using debit and credit terminology, prepare journal entries, record transactions in T-accounts, and prepare the resulting financial statements.
   6. Students will describe transactions using debit and credit terminology, prepare journal entries, record transactions in T-accounts, and prepare the resulting financial statements.
   7. Students will prepare and interpret a trial balance.

B. Accounting for Merchandising Businesses and Inventories
   1. Students will record transactions associated with a perpetual inventory system.
   2. Students will distinguish between product costs and general, selling, and administrative costs.
   3. Students will prepare journal entries on either the purchaser’s or seller’s books for transactions associated with transportation costs, cash discounts, and returns or allowances.
   4. Students will compare and contrast single-step and multi-step income statements.
   5. Students will explain the different cost flow methods (i.e., specific identification, FIFO, LIFO, and weighted average), compute the amount of cost of goods sold and ending inventory using each of those cost flow methods, and evaluate the effects of those methods on the financial statements.
   6. Students will apply the lower-of-cost-or-market rule to inventory valuation.
   7. Students will use the gross margin method to estimate ending inventory.

C. Internal Control and Accounting for Cash
   1. Students will identify key elements associated with a strong system of internal control, including special internal control elements required for cash.
   2. Students will prepare journal entries associated with petty cash funds.
D. Accounting for Receivables
1. Students will use the percent of revenue and percent of receivables methods to estimate uncollectible accounts expense.
2. Students will evaluate the differential effects of the allowance and direct write-off methods of accounting for uncollectible accounts on the financial statements.
3. Students will prepare journal entries associated with notes receivable and credit card sale transactions.

E. Accounting for Long-Term Operational Assets
1. Students will determine the cost of long-term operational assets.
2. Students will compute depreciation using various methods (i.e., straight-line, double-declining-balance, and units-of-production), and evaluate the effects of those different methods on the balance sheet and income statement.
3. Students will explain and implement the process of expense recognition for natural resources and intangible assets.
4. Students will prepare journal entries associated with the disposal of long-term operational assets.
5. Students will prepare journal entries for a “basket purchase,” costs associated with routine maintenance, and costs that either improve the quality or extend the life of, an existing long-term operational asset.

F. Accounting for Long-Term Debt
1. Students will prepare journal entries associated with installment notes payable transactions.
2. Students will explain why bonds are issued at face value, a discount, or a premium, prepare journal entries associated with those three different types of issuances, and evaluate the effects of those different issuances on the financial statements.
3. Students will use both the straight-line and effective interest rate methods to amortize bond discount or premium.

G. Proprietorships, Partnerships, and Corporations
1. Students will identify distinguishing characteristics associated with sole proprietorships, partnerships, and corporations.
2. Students will prepare journal entries associated with various stock-related transactions (e.g., issuance of common and preferred stock, purchase and sale of treasury stock, declaration and distribution of dividends, stock splits, etc.) and evaluate the effects of those transactions on the financial statements.

H. Financial Statement Analysis
Students will calculate and interpret various financial ratios associated with assessing company liquidity, solvency, profitability, and position in the stock market.
IV. METHODS OF INSTRUCTION

A. Lecture

B. Class Discussion, In-class Exercises

C. Textbook

V. REQUIRED TEXTBOOK WITH PUBLICATION INFORMATION


VI. REQUIRED MATERIALS (STUDENT)

*Notes and Check Figures* (for 7th Ed.). Work *Papers for Demonstration Problems.*

Note: The above course packets are required by one Financial Accounting instructor.

VII. SUPPLEMENT REFERENCES

Solution Manual

VIII. METHOD OF EVALUATION (BASIS FOR DETERMINING GRADE)

A. Closed-book, In-class, Chapter Quizzes (for each chapter)

B. Closed-book, In-class, Midterm Exam (Chapters 1-6)

C. Closed-book, In-class, Final Exam (Comprehensive)

D. Financial Statement Analysis

IX. ADA AA STATEMENT

Any student requiring special accommodations should inform the instructor and the Coordinator of Disability Support Services (Library phone 636-481-3169).

X. ACADEMIC HONESTY STATEMENT

All students are responsible for complying with campus policies as stated in the Student Handbook (see College website, http://www.jeffco.edu).
XI. ATTENDANCE STATEMENT

Students earn their financial aid by regularly attending and actively participating in their coursework. If a student does not actively participate, he/she may have to return financial aid funds. Consult the College Catalog or a Student Financial Services representative for more details. Student’s grade will also be based on participation in class and attendance.

XII. OUTSIDE OF CLASS ACADEMICALLY RELATED ACTIVITIES

The U.S. Department of Education mandates that students be made aware of expectations regarding coursework to be completed outside the classroom. Students are expected to spend substantial time outside of class meetings engaging in academically related activities such as reading, studying, and completing assignments. Specifically, time spent on academically related activities outside of class combined with time spent in class meetings is expected to be a minimum of 37.5 hours over the duration of the term for each credit hour.